AR10

THE H.A. ROBERTS GROUP LTD.

ANNUAL REPORT 1975

JAN 1 6 1976

The H.A. Roberts Group Ltd.

EXECUTIVE OFFICES
300-2184 12th Avenue, Regina
1198 West Pender Street,
Vancouver

DIRECTORS
Dr. Ben Bookhalter
Kevin P. Boyle
W. Joseph Bronstein
Eli L. Fluter
Frank Sojonky
Casey C. Vanee
William Vancise

OFFICERS AND DIRECTORS
W. Joseph Bronstein *President*
Frank Sojonky, B.Comm. *Executive Vice President*
Casey C. Vanee *Senior Vice President*
Kevin P. Boyle *Senior Vice President*
Eli L. Fluter, B.Comm., C.A., *Treasurer*
William Vancise *Secretary*

Executive committee members Joe Bronstein, Kevin Boyle, Eli Fluter, Frank Sojonky and Casey Vanee examining new zero lot line housing concepts.

Report to Shareholders

We are proud to report that The H.A. Roberts Group Ltd. has once again realized an impressive return on investment, despite a particularly difficult year for the housing and property development industry in Canada.

Increased Assets and Earnings

Over the past year the Company's assets have increased by 26.5% to over $26 million. After tax earnings also increased by over 24% to $522,000, with cash flow running 15.6% ahead of the previous year. Earnings per share averaged 29.5c compared with 26.4c in 1974. This was largely attributable to emphasis on lower volume, higher profit projects.

Consistent Investment

In the past, we have achieved excellent appreciation and profit in conventional terms. Analysis of the balance sheet bears only partial relation to the actual success of our operations; the market value of our assets is in fact considerably greater than the book value reported.

Innovative Development

While our stance has been essentially stable and financially conservative, we have placed a premium on innovation and initiative.

Typical of such emphasis has been the modernization and expansion of Regina's Westward Motor Hotel, now one of Western Canada's most profitable and popular hostelries. Another landmark development was the negotiation of an original land use contract with the City of Abbotsford, B.C. involving the multi-mix commercial and residential development of 103 acres of scenic mountainside.

Saskatchewan

During the year, we have continued to consolidate our position as Saskatchewan's foremost multi-family housing developer. The acquisition of some $6 million of land and revenue property from a large European investment company has strengthened our position considerably. Purchase of this major package of developed properties is something of a departure from our normal practice of planning and developing. Indeed, substantial profits have already resulted from the transaction; and, these will be further enhanced as we operate and improve this valuable portfolio.

Topping off another successful year in Saskatchewan, we are proud to report that our Wascana Estates housing development in Regina was selected for recognition by the Housing Design Council of Canada, in its nationwide residential design awards program. Our rental portfolio now encompasses everything from limited dividend to luxury housing.

British Columbia

The results of our first year's property acquisition and development in British Columbia are now coming to fruition. With a land bank of $9 million and projected development of $46 million for the next two years respectively, we foresee continued increases in assets and earnings. In particular, we are confident that our 103 acre Glenn Mountain property in Abbotsford will be a major future earner, appealing as it will to a broad cross-section of life styles and incomes.

Winner of the Canadian Architect Magazine Award of Excellence for building design, our 58 unit "Fairways" townhouse complex in Coquitlam, is perhaps the most imaginative of many interesting developments in British Columbia. The low profile, stacked townhouses integrate beautifully with the surrounding park and prestigious Vancouver Golf Course. Plans are also well advanced for a 21 storey condominium highrise in Burnaby, a luxury waterfront townhouse development in Port Moody and several inviting single-family subdivisions in the Vancouver area.

Alberta

Alberta shares the spotlight with British Columbia for the fastest population growth in Canada. In contrast to British Columbia, however, the Alberta economy has forged ahead on the strength of enormously increased petroleum and gas revenues and their attendant economic spinoff. With one year behind us in Alberta and the success of our first housing project, Willow Tree Village, purchased, converted, and profitably sold, we are deploying an increasing amount of capital and manpower to consolidate our position in Canada's most dynamic growth area.

Investment Portfolio

Of paramount importance to our future plans and growth potential, The H.A. Roberts Group Ltd., has been accredited as a legal investment vehicle for pension and other funds. This is a federal privilege granted under the Insurance Act as a result of our

stable and successful performance record over the past 5 years. Our investment portfolio already includes a broad cross-section of diversified commercial, industrial and residential developments and the infusion of additional capital will enable us to further diversify and expand in the years ahead.

Our People

We again welcome this opportunity to extend our sincere thanks to every member of The H.A. Roberts Group Ltd. The calibre of our staff and the initiative of a particularly dedicated team of professionals in all our divisions continues to play a vital role in our success.

Their combined experience and increasing effectiveness in a wide variety of residential and commercial ventures, promises a bright future for the growth and development of the company. A resource unmatched in Western Canada, we look confidently to our people and through them to an even more prosperous future.

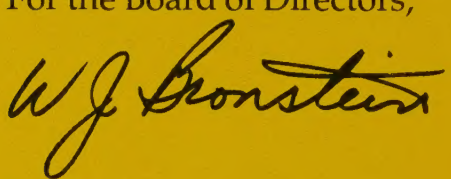
Corporate Goals

A new five year plan has been adopted by the Board. Designed to provide a more precise and efficient control of corporate assets, by investment category and geographic allocation, the plan will involve some redirection of corporate resources in keeping with our overall priorities.

As part of our plan we have arranged the sale of our 72% interest in Medallion Mortgage Corporation. This division conducted the majority of our real estate brokerage activities. The sale at our original cost was made to Lombard Properties Ltd., a company in which W.J. Bronstein is the major shareholder.

We are also examining the potential value of an international property development division, to accommodate opportunities and investments outside our principal market area.

For the Board of Directors,



President.

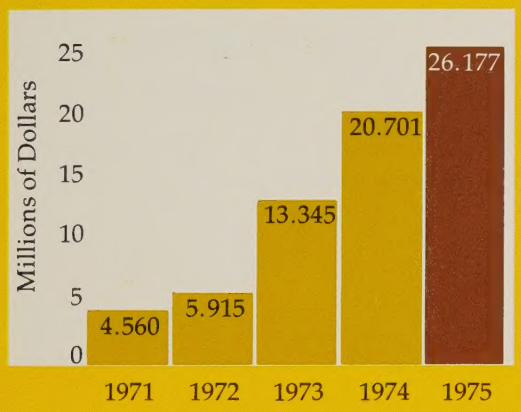
ANNUAL REPORT 1975
September 30, 1975

THE H.A. ROBERTS GROUP LTD.
and Subsidiary Companies
(Incorporated under the Companies Act of Saskatchewan)

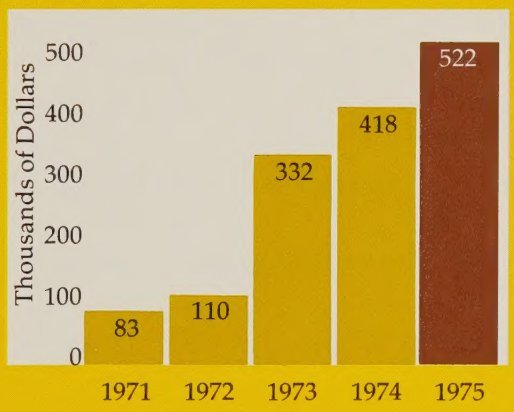
HIGHLIGHTS	1975	1974
Sales	**$8,477,000**	$8,943,000
Cash Flow	**$987,000**	$854,000
Cash Flow per share*	**55.8c**	53.9c
Earnings	**$522,000**	$418,000
Earnings per share*	**29.5c**	26.4c
Total Assets	**$26,177,000**	$20,701,000

*Based on average number of shares outstanding and fully paid.
Cash flow is shown before depreciation, amortization, deferred income taxes and mortgage principal payments.

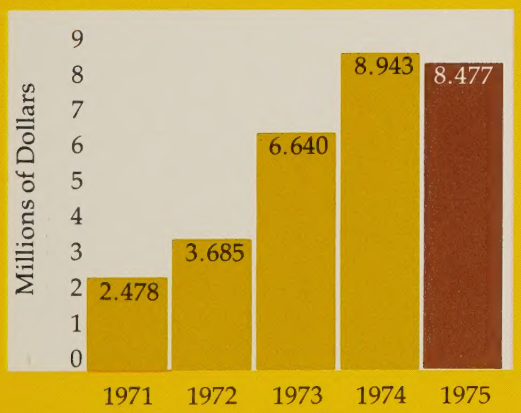
TOTAL ASSETS



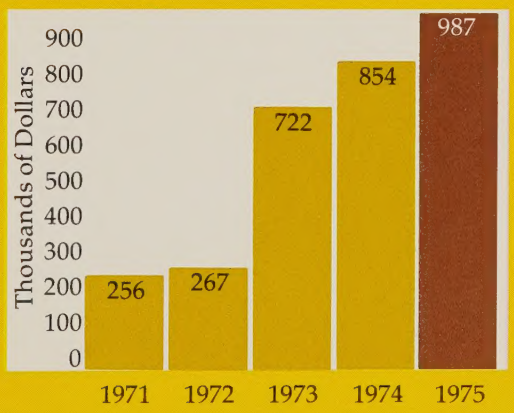
EARNINGS



SALES



CASH FLOW



CONSOLIDATED BALANCE SHEET
September 30, 1975

THE H.A. ROBERTS GROUP LTD.
and Subsidiary Companies
(Incorporated under the Companies Act of Saskatchewan)

ASSETS	1975	1974
Accounts and Mortgages Receivable	**$ 1,202,000**	$ 2,581,000
Property Under Development and Work In Progress (Note 3)	**9,365,000**	7,466,000
Agreements Receivable	**1,047,000**	1,074,000
Prepaid Expenses and Supplies	**125,000**	196,000
Revenue-Producing Properties Completed And Under Development at cost less accumulated depreciation (Note 3)	**14,134,000**	8,572,000
Investment In Land Syndicate	**—**	159,000
Loan Receivable From Shareholders	**238,000**	238,000
Goodwill	**66,000**	250,000
Franchises and Intangibles	**—**	165,000
	$26,177,000	$20,701,000

SIGNED ON BEHALF OF THE BOARD

W. JOSEPH BRONSTEIN Director

FRANK SOJONKY Director

The accompanying notes are an integral part of this financial statement.

LIABILITIES	1975	1974
Bank Indebtedness (Note 5)	**$ 3,807,000**	$ 4,105,000
Accounts Payable and Accrued Liabilities	**1,451,000**	1,818,000
Income Taxes Payable	**30,000**	17,000
Mortgages and Agreements Payable On Land And Property Under Development	**4,347,000**	4,902,000
Long-Term Debt (Note 6)	**12,455,000**	6,456,000
Deferred Income Taxes	**1,106,000**	798,000
Contingent Liabilities (Note 4)	**—**	—
	$23,196,000	$18,096,000
Minority Interest in Consolidated Subsidiaries	**—**	$ 219,000
SHAREHOLDERS' EQUITY		
Capital Stock (Note 7)		
Authorized 3,000,000 shares without par value Issued and to be issued 1,786,543 shares (1974 - 1,727,720)	**$ 1,466,000**	$ 1,393,000
Retained Earnings	**1,515,000**	993,000
	2,981,000	2,386,000
	$26,177,000	$20,701,000

The accompanying notes are an integral part of this financial statement.

CONSOLIDATED STATEMENT OF EARNINGS AND RETAINED EARNINGS

For the year ended September 30, 1975

THE H.A. ROBERTS GROUP LTD.
and Subsidiary Companies
(Incorporated under the Companies Act of Saskatchewan)

	1975	1974
SALES		
Property sales, rentals, commissions and fees	**$7,009,000**	$8,065,000
Gross revenue from hotels	**1,468,000**	878,000
	8,477,000	8,943,000
EXPENSES		
Operating costs and expenses	**6,761,000**	7,709,000
Depreciation and amortization	**157,000**	115,000
Interest on mortgages	**732,000**	442,000
Other interest	**107,000**	66,000
	7,757,000	8,332,000
Earnings from Operations	**720,000**	611,000
Other Income	**200,000**	139,000
EARNINGS BEFORE INCOME TAXES	**920,000**	750,000
PROVISION FOR INCOME TAXES		
Current	**41,000**	11,000
Deferred	**357,000**	321,000
	398,000	332,000
NET EARNINGS (Note 10)	**522,000**	418,000
Retained Earnings at Beginning of Year	**993,000**	575,000
RETAINED EARNINGS AT END OF YEAR	**$1,515,000**	$ 993,000

The accompanying notes are an integral part of this financial statement.

CONSOLIDATED STATEMENT OF CHANGES IN BANK INDEBTEDNESS

For the year ended September 30, 1975

THE H.A. ROBERTS GROUP LTD.
and Subsidiary Companies
(Incorporated under the Companies Act of Saskatchewan)

	1975	1974
SOURCE OF CASH		
Operations		
Net earnings	**$ 522,000**	$ 418,000
Non-cash charges		
Depreciation and amortization	**157,000**	115,000
Deferred income taxes	**308,000**	321,000
	987,000	854,000
Decrease in accounts and mortgages receivable	**1,379,000**	—
Decrease in agreements receivable	**425,000**	—
Sale of revenue-producing properties	**146,000**	511,000
Decrease in investments and other assets	**574,000**	—
Increase in accounts payable and accrued liabilities	—	62,000
Increase in mortgages on land and property under development	—	2,146,000
Proceeds of mortgage loans	**6,791,000**	1,539,000
Increase in deferred income taxes through acquisition	—	49,000
Minority interest in acquisition	—	219,000
Issue of shares on acquisition of subsidiary	**73,000**	288,000
	10,375,000	5,668,000
APPLICATION OF CASH		
Increase in accounts and mortgages receivable	—	824,000
Increase in agreements receivable	**398,000**	455,000
Increase in property under development	**1,899,000**	4,161,000
Additions to revenue-producing properties	**5,860,000**	2,277,000
Increase in investments and other assets	—	55,000
Purchase of goodwill and intangibles	—	210,000
Decrease in accounts payable and accrued liabilities	**354,000**	—
Decrease in mortgages on land and property under development	**555,000**	—
Repayment of mortgage loans	**261,000**	326,000
Mortgages on properties sold and agreements receivable paid out	**531,000**	42,000
Minority interest on disposal of subsidiary	**219,000**	—
	10,077,000	8,350,000
INCREASE (DECREASE) IN BANK INDEBTEDNESS	**(298,000)**	2,682,000
Bank Indebtedness at Beginning of Year	**4,105,000**	1,423,000
BANK INDEBTEDNESS AT END OF YEAR	**$ 3,807,000**	$4,105,000

The accompanying notes are an integral part of this financial statement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 1975

THE H.A. ROBERTS GROUP LTD.
and Subsidiary Companies
(Incorporated under the Companies Act of Saskatchewan)

1. SIGNIFICANT ACCOUNTING POLICIES

CARRYING CHARGES AND TAXES

Carrying charges and an appropriate portion of expenses directly related to development are added to the cost of land and work in progess. For the current year, such additions amounted to $995,000 (1974 - $577,000).

DEPRECIATION

Depreciation is provided in the accounts on the 5% sinking fund method for apartments and commercial buildings based on estimated useful life of 40 years, and 5% diminishing balance method for hotel building. Other assets are depreciated at various rates to amortize their cost over their appropriate useful lives.

2. ACCOUNTS AND MORTGAGES RECEIVABLE

Included in accounts and mortgages receivable are three loans amounting to $93,000 to officers of the company to assist them in the purchasing of residences.

3. PROPERTIES

Properties under development and work in progress:

Land	
Future development	$6,828,000
Under development	781,000
Construction in progress	1,756,000
	$9,365,000

Revenue-producing properties completed and under construction, including joint ventures (Note 3):

	Cost	Accumulated Depreciation	Net
Apartments and commercial			
Land	$ 828,000		$ 828,000
Buildings and equipment	10,733,000	$243,000	10,490,000
Hotel			
Land	346,000		346,000
Buildings and equipment	2,912,000	442,000	2,470,000
	$14,819,000	$685,000	$14,134,000

4. CONTINGENT LIABILITIES AND JOINT VENTURES

The accounts include the company's share of the revenues and expenses and of the assets and liabilities of joint ventures with total assets of $2,556,000 against which there are mortgages in total amounting to $870,000.

The company has guaranteed accounts of an affiliate company in the amount of $346,000. The company anticipates that there will be an ultimate net loss as a result of these guarantees and this loss has been reflected in the accounts.

5. BANK INDEBTEDNESS

Current bank indebtedness of $3,807,000 and term loans of $1,132,000 are secured by a general assignment of accounts receivable, assignment of mortgage loans on work in progress and revenue-producing properties under development and demand debentures on the assets of the company.

6. LONG-TERM DEBT

Mortgage loans are summarized as follows:

	Average Interest	Maturity Dates	Amount
Revenue-producing properties			
Apartments and commercial			
First mortgages	9.33	1976-2009	$9,789,000
Second mortgages	12.00	1976	99,000
Hotel			
First mortgage	11.00	1994	2,320,000
Properties sold under agreements for sale	10.65	1976	247,000
			$12,455,000

Mortgage loan repayments for the next five years are as follows:

1976	$643,358
1977	395,104
1978	377,775
1979	1,363,444
1980	722,608

7. CAPITAL STOCK

	Shares	Dollars
Balance September 30, 1974	1,727,720	$1,393,000
Shares issued or to be issued on conversion of Medallion Mortgage Corp. Ltd.	58,823	73,000
Balance September 30, 1975	1,786,543	$1,466,000

During the year the company issued an additional 58,823 shares to the shareholders of Medallion Mortgage Corp. Ltd. under the offer of purchase which expired December 31,1974. (Also Note 8).

On October 6, 1975 the options outstanding to acquire 100,000 shares at $4 per share were cancelled on the payment of $5,000.

8. MEDALLION MORTGAGE CORPORATION LTD.

As at August 31, 1975 the company entered into a contract to sell all the shares of Medallion Mortgage Corp. Ltd. to Lombard Properties Ltd, A company owned by the President of The H. A. Roberts Group Ltd., W. J. Bronstein, for the sum of $398,000 payable as follows: $79,600 payable November 1977 and the sum of $79,600 payable on the first day of November each and every year thereafter including November 1, 1982.

The following details pertain to this transaction.

In 1974 The H. A. Roberts Group Ltd. offered to acquire the shares of Medallion Mortgage Corp. Ltd. on an exchange basis of 1 Roberts share for 5 Medallion shares. This offer expired December 31, 1974. The company acquired 1,015,000 shares of Medallion in exchange for 203,023 treasury shares of Roberts. The price attributed for the shares exchanged was $406,000 including legal and appraisal costs of $38,000.

9. COMMITMENTS

Estimated cost to complete projects in progress and under development will amount to approximately $2,400,000. Of this amount, the company has at September 30, 1975 entered into firm commitments amounting to $1,725,000.

10. EARNINGS PER SHARE (1975 - 29.46c; 1974 - 26.40c)

The earnings per share figures are calculated using the weighted monthly average number of shares outstanding during the respective fiscal years.

AUDITORS' REPORT

To The Shareholders
The H. A. Roberts Group Ltd.

We have examined the consolidated balance sheet of The H. A. Roberts Group Ltd. and its subsidiaries as at September 30, 1975 and the consolidated statements of earnings and retained earnings and changes in bank indebtedness for the year then ended, and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the companies, these financial statements are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the companies as at September 30, 1975 and the results of their operations and the changes in bank indebtedness for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year. All the transactions of the companies that have come to our notice have been within the objects and powers of the companies.

Regina, Saskatchewan
December 10, 1975

Thorne Riddell & Co
Chartered Accountants

The Westward Motor Inn

Another Success For Saskatchewan

The $2 million modernization and expansion of Regina's Westward Motor Inn marks another significant achievement for the company's operations in Saskatchewan.

A product of The H.A. Roberts Group Ltd. *special project team*, this undertaking involved the conversion of an existing four-storey hotel into a seven-storey structure of which the top three storeys float above the lower four on independent steel columns. More importantly the addition greatly expands the profit capability of an already successful hotel and reflects the company's expertise in the profitable operation of large labour intensive properties.

Refurbished from top to bottom, the Westward's luxurious accommodation, its uniquely attractive dining, dancing and entertainment facilities, as well as its spacious banquet and convention rooms, can be ranked with the best in Western Canada. Located in the fastest growing sector of downtown Regina, the new hotel represents the first phase in the development of The H.A. Roberts SuperBlock at the intersection of Broad Street and Victoria Avenue. When complete, SuperBlock will include a 200,000 sq.ft. office tower and other complimentary facilities.

The success of the new Westward Inn owes much to the patience and understanding of our loyal guests who made allowances for the inevitable inconveniences which occur during construction and renovation.

However, we are even more indebted to management and staff for the extra effort and teamwork put forth to maintain satisfactory volume and profit during the lengthy construction period.

We look confidently to them for even better returns as the new hotel realizes its optimum potential as a hospitality and convention centre in the year ahead.

right: The Westward as it used to be.
centre: The Westward after expansion and modernization.
bottom left: One of the spacious hotel rooms.
bottom right: The new reception area.

Saskatchewan

A Continued Success Story

Saskatchewan is enjoying prosperity unmatched in its history. With almost 100% increase in commodity production since 1965 and the lowest unemployment rate in Canada, Saskatchewan remains a thriving centre of operation for the company.

Record grain, oil and potash prices have contributed significantly to a buoyant provincial economy, nowhere more apparent than in the Queen City of Regina. As the leading developer in the province, the company enjoys a reputation for innovation in keeping with the dynamic and progressive nature of the community. Significantly our work has been honoured with recognition by the Canadian Housing Design Council in its 1974 awards for residential design... a tribute we are particularly proud to share with the people and the community who made it possible.

Wascana Estates—1974 Design Award Winner

In selecting Regina's Wascana Estates from among 280 entries from all across Canada, the Design Council recognized these attractively original townhouses. Conveniently located near the heart of the City,

right: Quincy Green nearing completion.
bottom right: A typical kitchen at Quincy Green.
below: Quincy Green at night.

they remain a world apart in mood and lifestyle, an example of contemporary planning at its best. Our congratulations go to our architect, Mr. R.K. Ewing, for his significant contribution to the evolution of residential design in Canada.

Quincy Greene

In the award winning tradition of Wascana Village, nearby Quincy Greene provides yet another jewel in the Queen City's Wascana Centre neighbourhood.

The quiet beauty and natural serenity of its surroundings, provide a natural compliment for the spacious interiors of the townhouse clusters and resort amenities which have made Quincy Greene Regina's most distinctive residential community.

Typical of the company's attention to detail in all phases of development, these two projects not only realized an excellent return on investment, they have further enhanced the reputation of our planning committee for superior results based on thorough research, market and design analysis.

left: Roberts Plaza from Wascana Park.
below: The award winning Wascana Estates.

Alberta

Canada's Energy And Opportunity Centre

With an estimated $120 billion in capital funds earmarked for energy projects over the next decade, most of which will go into developments in Alberta and neighbouring northern territories, the province obviously has tremendous potential for The H.A. Roberts Group Ltd. innovative approach to residential development.

Already stimulated by provincial tax cuts and enormously increased oil and farm revenues, Alberta's two major population centres are among the fastest growing cities in Canada according to a Statistics Canada report covering population growth for the period 1966 to 1973. Calgary topped the list with a gain of 30% while Edmonton is in third place with 21.8% compared with the Canadian average of 10.4%.

Willow Tree Village- A Highly Successful Beginning

Within a month of entering this exciting housing market in 1974, we initiated our first major development programme. Willow Tree Village is not only a profitable story from our point of view, it has also proved a valuable investment for all those who have purchased homes in the development.

A pleasant community of elegant townhouses, its novel design, luxury amenities as well as the attractive recreational and sports facilities added by our planning division has made it the most desirable executive residential enclave in Calgary.

Willow Tree Village is only the first of many exciting ventures planned for Alberta. Our initial success provides a sound basis for our future operations in the province; these will assume even greater importance as we divert an increasing share of manpower, money, and resources to Canada's most dynamic market.

above: Willow Tree Village
right: The pool and recreation centre at Willow Tree Village.
below: Master bedroom in the display suite.

British Columbia

New Homes For Newcomers

Demand continues to mount for a wide variety of residential property as more and more Canadians and newcomers flock to the West Coast. While housing starts have fallen to a five-year low in British Columbia, the company is pushing ahead with some $50 million in development to help bridge the gap over the next two years.

Glenn Mountain-A Natural Showpiece

Construction is scheduled to start in the spring of 1976 on our 103 acre Glenn Mountain property. A fully integrated, multi-mix development containing 460 residential units, neighbourhood shopping, recreation, and sports facilities, Glenn Mountain is a natural showpiece designed to appeal to a broad spectrum of prospective homeowners.

A natural sun trap located in the Sumas hills, south west of Vancouver, this unique site was selected for its scenic beauty, excellent climate and easy access via the Trans Canada Highway. Ranging from 200 to 700 feet elevation, it offers a unique opportunity to capitalize on the beauty of its mountainside setting and special care will be taken to preserve the remarkable variety of trees which cover the site.

right: View of Vancouver from the top of Glenn Mountain.
below: Glenn Mountain development planning meeting.

Fairways-Imagination pays off

A conventional developer might have accepted the original plan for twin highrise apartment towers suggested for the exceptionally beautiful 2-acre site overlooking the Vancouver Golf Club in Coquitlam. Our planning committee decided to look for something more in keeping with the environment.

With the help of our architect, Mr. Richard Hulbert, our design was the winner of an Award of Excellence for building design, in a Canada-wide contest sponsored by the Canadian Architect Magazine. Our novel solution speaks for itself: Fifty-eight stacked townhouses nestled unobtrusively in the corner of the golf course. Each single storey ground floor unit provides a base for the twin two-storey units above it. Separated by attractive atriums on the one hand and overlooking the fairways on the other, this project represents a most imaginative and tasteful approach to urban housing design.

Architects rendering of the award winning Fairways.

Current Projects

In any given year The H.A. Roberts Group Ltd. is involved in development, design, construction, management and marketing of a considerable number and variety of projects. Outlined here are our current activities in Western Canada.

Project & Location	No. of Units	Type of Development	Status
British Columbia			
Bedford - Coquitlam	19.7 acres	Industrial Park.	Plans and specifications at planning department for final approval.
Carrigan - Burnaby	125	21 Storey Condominium Highrise on 1.4 acres.	Building permit received.
Fairways - Coquitlam	58	Luxury award winning stacked condominium townhouses.	Building permit scheduled Feb. 1976.
Deer Lake - Burnaby	21	Planned community of luxury single family homes.	Plans and specifications at planning department for final approval.
Glenn Mountain - Abbotsford	460	Unique planned community of 37 Estate Lots, 60 Patio homes, 114 Single family homes, 150 Townhouses, 80 Apartments, 19 Node luxury estate lots.	Planned construction start February 1976.
Austin-Hickey - Coquitlam	10 acres	Innovative townhouse complex with 10-12 units per acre.	Plans at advisory planning commission and council for final approval. Planned start May 1976.

Projects	No. of Units	Type of Development	Status
Three Island Estates - Port Moody	120	Waterfront Luxury townhouse and Garden Court Apartments.	Preliminary planning stages completed. Public hearing scheduled February 1976.
Lion's Bay - North Vancouver	15	Waterfront Single Family Planned Community.	Preliminary planning stages.
Springcombe Estates - Maple Ridge	34 lots	Single family home subdivision.	15 sold — all services installed.
Concord - Coquitlam	12	Single family home subdivision.	Sold Out.
Braemar - North Van.	5	Single family Home subdivision.	Sold Out.
Saskatchewan:			
Shaughnessy - Regina	45	Townhouse Condominiums.	Construction Completion 1976.
Quincy Greene - Regina	62	Luxury townhouse condominiums.	53 sold, balance expected to be sold prior to project completion.
South Broad Plaza Office Complex - Regina	200,000 sq. ft.	Office Tower Complex.	Preliminary Planning Stages.
Ross Industrial Park Warehouse IV - Regina	20,000 sq. ft.	Masonry Warehouse.	Under construction completion, Spring 1976. Land acquired in Sask. largest real estate transaction.

Investment Portfolio

Project & Location	No. of Units	Type of Development	Status
Davin Place - Regina	78	Rental, Highrise apartment complex.	100% occupancy. (50% ownership)
Lord & Lady Albert Regina	72	Rental, Low-rise apartment and recreation complex.	100% occupancy.
Roberts Plaza Regina	152	Rental, highrise luxury apartment and recreation complex.	100% occupancy.
Westfield One and Two - Regina	142	Rental, two high-rise Apartment Bldg. and a centrally located recreation complex.	100% occupancy.
Alpine Village* Moose Jaw	47	Rental, split level townhouses.	100% occupancy.
Whitmore Village* Regina	60	Rental, split level townhouses.	100% occupancy.
Wascana Village* Regina	94	Rental, 3 bedroom townhouses. Limited dividend project.	100% occupancy.
Willow Tree Village Calgary	72	Luxury townhouse condominiums and recreation complex.	Sold out.

*Acquired in Saskatchewan's largest real estate transaction.

Project & Location	Type of Development	Status
The Westward Motor Inn - Regina	136 room hotel all rooms fully serviced, dining lounge, bar, convention facilities and banquet rooms.	2.3 million dollar expansion completed 1975.
South Broad Plaza Office complex - Regina	70,000 sq. ft. land holding. 35,000 sq. ft. of existing bldgs.	Preliminary planning for 200,000 sq. ft. office and commercial complex.
Albert Street office building - Regina	8,000 sq. ft. commercial office space.	Fully leased.
Ross Industrial Park Warehouse 1* - Regina.	20,000 sq. ft. 1½ storey masonry warehouse on 2.123 acres.	Fully leased. 3 tenants.
Ross Industrial Park Warehouse 2* - Regina	18,900 sq. ft. masonry warehouse on 1.06 acres.	Fully leased. 6 tenants.
Ross Industrial Park Warehouse 3* - Regina	26,425 sq. ft. Masonry warehouse on 1.6 acres.	Fully leased. 8 tenants.
Southland Properties - Regina	102 acre land subdivision. (22% share)	1st phase sold out, Sept. 1975. Second phase to be sold 1976. Third phase to be sold 1977.
Glencairn Shopping Centre* - Regina	24,520 sq. ft. regional shopping centre on 3.49 acres, plus service station. Open parking for 400 cars.	Fully leased. 6 tenants. 15,700 sq. ft. to be added 1976.
Clearbrook - B.C.	8.9 acre future subdivision.	Preliminary planning stage.

*Acquired in Saskatchewan's largest real estate transaction.

The Future

The companies assets and activities are in the process of being reorganized to meet the challenge of changing markets and the new priorities imposed by the continued growth and increasing complexity of our operations.

Among the many considerations which have been taken into account in developing the companies new five year plan are:

— Persistent inflation
— A slower than expected recovery from the current recession
— Increasing government involvement in the housing market
— The effects of social and environmental concerns

Four overall controls have been used in the past — assets, sales, earnings and cash flow. In the future these will be further qualified by province and investment category — Residential and Commercial for our own account, Land Bank and development projects for resale.

This should provide a logical base for the provincially autonomous profit centres now under consideration. Attention is also being given to the development of further senior management personnel necessary to maintain the thrust and efficiency of the company's increasingly diversified operations.

Until recently the effects of double digit inflation have been cushioned to some extent by our policy of consistent land banking. Future developments will, however, require proportionately larger investments even to sustain current levels of production and earnings. To finance our plans, considerable capital must continue to be raised through mortgages and bank loans as well as internal cash flow. Corporate resources will also be redirected by the Group in accordance with provincial priorities and earning potential.

We anticipate continued growth in earnings and profits for the company as our interests expand and our expertise increases.